

Agency: Commerce, Community and Economic Development**Grants to Municipalities (AS 37.05.315)****Grant Recipient: Seward****Project Title:**

Seward - Long Term Care Center Construction

State Funding Requested: \$ 400,000**House District: 35 - R**

One-Time Need

Brief Project Description:

Construction of a Long Term Care Facility for the City of Seward that will help keep the Hospital Emergency Room open.

Funding Plan:**Total Cost of Project: \$29,300,000**

	<u>Funding Secured</u>		<u>Other Pending Requests</u>		<u>Anticipated Future Need</u>	
	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>
Denali Commission	\$1,600,000					
Local Funds	\$300,000					
Other	\$27,000,000	2008				
Total	\$28,900,000					

*Explanation of Other Funds:**Local Revenue Bonds***Detailed Project Description and Justification:**

In the 1980s the State sold approximately 300 parcels of land to individuals in the area of Caribou Hills. The only access to this land is off of Bassargin Road 20 miles south of Homer by a trail over wetlands. In the summer months people use ATVs to get to their property and in the winter snow machines. Due to excessive use in the summer, the wetlands were becoming very torn up and the degradation to the wetlands was noticeable. This prompted the Homer Soil and Water Conservation District to pursue grant funding to build a raised board walk to Caribou Lake that was installed with much coordinated volunteer labor. This project included funding to build a parking pad for users to park their cars. However, the only place to put the parking pad is one mile from the Bassargin road, over a road that cuts through private property that is often impassible. Land owners have organized to survey this access so that an easement can be granted by DNR and they can work on improving the access road to the parking lot. The total cost of upgrading the road is \$210,000, of which many of the land owners and users have contributed. Also, local contractors have volunteered their time and use of equipment to do work. The community is asking for \$10,000 to help with the cost of the \$15,000 survey required by DNR in order to grant the easement.

Project Timeline:

Construction will begin spring 2008 and be complete in October of 2009.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

City of Seward

Grant Recipient Contact Information:

Contact Name: Phillip Oates

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Address: POB 167 Seward, AK 99664

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Has this project been through a public review process at the local level and is it a community priority? ☒ Yes ☐ No

2008 City of Seward Request for Support From The Governor's Office



Project Title: Long Term Care Facility Construction
Priority: #2 Public Facilities
Funding Needed: \$400,000
Funding Source: State and Local Contributions

Project Justification:

The Long Term Care Facility is a critical project to the community of Seward and the State of Alaska. This \$400,000 in funding is for completion of the utility infrastructure (water, wastewater, and electrical power) for the facility. The City of Seward is providing a 100% match of \$400,000 for the utility infrastructure for the project. The City of Seward is also providing the \$27 million for constructing the facility through revenue bonds that were approved through a public process. The money from the State will allow completion of the project without exceeding the revenue bond ceiling established through the Certificate of Need process.

The State DHSS encouraged the city to build this facility because it provides care for a unique niche of patients that other facilities in Alaska do not care to serve; patients with multiple cognitive and physical disorders. This facility will be Alaska's first Green House Project, restoring dignity to the lives of Alaskan elders by returning them "home" to a residential, rather than institutional model of care. Because the existing facility is fully depreciated, the reimbursement rates are expected to be reduced by nearly \$800,000 per year, until the new facility opens, and the State DHSS is unwilling to extend exceptional relief payments to the City to assist with operational shortfalls. Therefore, the City is experiencing significant operational shortfalls at the same time as it is paying to construct the new \$27 million facility. The City will contribute \$27 million toward the project, and the State's funds will be used to construct water, sewer, and road infrastructure to serve the facility. This project was approved through a public process and city council resolution attached. A drawing is attached.

Project Description:

The existing Wesley Rehabilitation and Care Center in Seward consists of two buildings that have served well beyond their effective life spans. The buildings house mechanical and electrical systems for which parts are no longer available. Some portions of the buildings have been closed to access due to serious safety concerns, including structural collapse of one section of the building. The facility is in serious need of replacement.

The current resident population consists of 30-40 individuals, 90% of whom come from other Alaskan communities. This facility serves a unique niche of long-term care in

Alaska, for patients with multiple mental and physical diagnoses, and serves patients whom no other facilities will admit.

The State of Alaska suggested the City take over the existing long-term care facility when federal surveyors determined the previous operator could no longer ensure viability of operations. The result was a partnership between the City and Providence Health System in Alaska, co-locating the local acute care hospital with the Long-Term Care Facility. By reducing duplication of services, co-location results in significant cost savings, enhancing the long-term viability of the local hospital and Long-Term Care Facilities.

The City must construct a new Long-Term Care Facility immediately. Based on a \$1.6 million grant from the Denali Commission, planning and design was completed on a 34,000 square foot facility that would house 40 residents in four separate green house model homes, restoring dignity and choice to the lives of Seward's elders. The City has acquired property for the facility. The project budget is as follows:

PRELIMINARY PROJECT BUDGET:

Construction costs	\$20.7 million
Site work & utilities	\$ 2.4 million
FF&E	\$ 2.2 million
Contract management	\$ 0.5 million
Bond Reserves	\$ 2.0 million
Total	\$ 27.8 million